

General conditions for the sale of components and spare parts (hereinafter called conditions of sale)

SCHLEGELAG®

1. Parties to the contract

Schlegel Swiss Standard AG is the **supplier**, hereinafter supplier, customer is the company mentioned in the offer, hereinafter the **customer**.

2. Offer / Conclusion of the contract

- 2.1 The contract shall be deemed to have been entered into upon expressed acceptance of the offer of the supplier by the customer (order). Normally, the order has to be confirmed by the supplier in writing (confirmation of order).
- 2.2 The supplier is bound only by his signed written statements.
- 2.3 The acceptance of the offer by the customer includes automatically the acceptance of these conditions of sale and excludes at the same time any contrary conditions of purchase or business conditions of the customer, even if the supplier does not expressly exclude them.
- 2.4 Offers which do not contain a time limit for their validity are not binding.
- 2.5 Statements made in offers or confirmation of order concerning weights or volumes for material and/or packaging are not binding.
- 2.6 Obvious writing or computation errors in the offer can be corrected by the supplier at any time, even after acceptance of the offer by the customer.

3. Documentation

- 3.1 Unless expressly otherwise specified in writing in the offer, any pictures, sketches, drawings, blueprints, descriptions etc. which pertain to the offer are not binding.
- 3.2 The supplier retains all rights (including copyrights, trademark and patent rights) concerning plans, blueprints, technical documentation etc. which are handed over to the customer. Such documentation may **not** be put at the disposal of third parties without prior written approval of the supplier.

4. Prices

- 4.1 All prices shall be deemed to be net 'ex works' , excluding packing, in free available Swiss francs, without any deduction whatsoever.
- 4.2 The customer shall be responsible for obtaining necessary import or other permits. He shall bear the cost thereof, as well as the consequences in case a permit is not obtained.
- 4.3 Any and all additional charges, such as, but not limited to, freight charges, insurance premiums, fees for export, transit, import and other permits, as well as for certifications etc. shall be borne by the customer.
- 4.4 The customer shall bear any and all taxes, fees, levies customs duties and the like which are levied outside of Switzerland in connection with the contract.
- 4.5 In case of any changes in the existing import or export conditions, the supplier reserves the right to adjust the supply to the new conditions and, if this leads to additional costs, to increase the prices accordingly. The supplier is also authorized to make appropriate price adjustments in the following cases:
 - a) The nature or the scope of the agreed supplies or services has changed;
 - b) The agreed upon delivery time has been subsequently extended by more than two months due to reasons beyond the responsibility of the supplier. Such reasons are for e.g. missing technical data, changes required by the customer in the execution or the extent of the supplies after the contract has been entered into, failure to observe the terms of payment or force majeure.

5. Terms of payment

- 5.1 Unless otherwise agreed upon, the customer has to pay the purchase price as follows:
 - a) 50% as advance payment within 30 days after the order and billing;
 - b) the remainder within 30 days after supplier's advice that the supplies are ready for dispatch and billing.
Payments shall be made at the supplier's domicile.
- 5.2 If the customer does not observe the terms of payment agreed upon, he shall be liable, without reminder, for interest with effect from the agreed date on which payment was due at a rate depending on the terms prevailing at the customer's domicile, but not less than 4% over the current discount rate of the Swiss National Bank. The right to claim further damages is reserved.

- 5.3 The customer may not hold back or reduce any payments, even if he finds fault with the supplies or if his own customer is late with his payments. The customer may set-off with his own counterclaims only if this has been accepted in writing.
- 5.4 If the customer does not observe the terms of payment agreed upon or becomes insolvent, the supplier shall be entitled, at his own choice, to either terminate the contract immediately and claim damages or to declare all outstanding payments immediately due, regardless of their due date, and to collect them. The costs of collection are to be borne by the customer.

6. Reservation of title

- 6.1 The supplier shall remain the owner of all supplies until he has received in full the payments according to the contract.
- 6.2 The customer shall cooperate in any measures necessary for the protection of supplier's title. In particular, upon entering into the contract, the customer authorizes the supplier to register, enter or notify the reservation of title in the required form in public registers, books or similar records, all in accordance with relevant national laws, and to fulfill all necessary formalities, at customer's cost.
- 6.3 During the period of reservation of title, the customer shall, at his own cost, maintain the supplies and insure them for the benefit of the supplier against theft, breakdown, fire, water and other risks. The customer further takes all measures to ensure that the supplier's title is in no way impaired or prejudiced.

7. Conditions of supply

- 7.1 The supplier supplies according to the INCOTERMS of the ICC (Intl. Chamber of Commerce) valid at the time of conclusion of the contract. If no special trade term is provided in the contract, the supply shall be made 'ex works' (EXW).
- 7.2 The extent of the supply and of services in connection therewith shall be in accordance exclusively with the written offer or the confirmation of order. Any supplies and/or services which are not comprised therein, will be billed separately.
- 7.3 The supplier is entitled to make unilateral modifications to the supplies, provided such modifications lead to objective improvements, do maintain the characteristics of the product and leave the agreed upon purchase price unchanged.
- 7.4 The supplier has the right to perform part supplies, provided nothing to the contrary has been expressly agreed upon.

8. Period of delivery

- 8.1 The indications concerning the period of delivery apply to the finishing of the object of the supply in the works of the supplier. Only those periods of delivery which are fixed in the written offer or the confirmation of order are binding. The period of delivery shall start as soon as all technical data of the order are clarified and as soon as the payments to be made upon placement of the order are performed or the guarantees are effective.
- 8.2 The period of delivery is respected if until its expiration a notice has been sent to the customer informing him that the supplies are ready for dispatching.
- 8.3 The period of delivery agreed upon can be reasonably extended by the supplier in the following cases:
 - a) If the customer has not respected his contractual obligations, e.g. if the customer fails to observe the terms of payment;
 - b) if the information required by the supplier for the performance of the contract is not supplied in time or if the customer subsequently changes it, thereby causing a delay in the delivery of the supply or services;
 - c) if hindrances occur which the supplier cannot prevent despite using the required care, due to the following events: force majeure, epidemics, mobilization, war, revolution, riot, strike, lockout, fire, late delivery of important parts by subcontractors which were imposed by the customer on the supplier, serious breakdown in the works, import, export or transit prohibitions or similar aggravations.
The supplier's obligation of performance shall stay for as long as the above-mentioned events last. The customer must pay due consideration to the situation existing thereafter on the side of the supplier. Termination of the contract by the supplier according to clause 5.4 and clause 13 of the conditions of contract is reserved.

- 8.4 As far as nothing to the contrary has been agreed upon in writing, late delivery does not give the customer the right to terminate the contract or to claim late interest or compensation for direct or indirect damages for late delivery.
- 9. Passing of benefit and risk**
- 9.1 According to the agreed upon trade term (INCOTERMS), and insofar as nothing to the contrary was agreed upon, the benefit and the risk pass to the customer at the time the notice is sent to him that the supply is available at his premises.
- 9.2 If the supplies are available for delivery and the delivery is delayed due to the customer, or if the shipment is impossible for reasons outside the responsibility of the supplier, then the risk passes to the customer at the time originally considered for delivery ex works.
The supplier provides for warehousing of the object of supply for a period of time he considers reasonable at the cost and risk of the customer, at the usual rates in or outside his works. Thereafter, the supplier is entitled to dispose freely of the object of supply at the cost and for the account of the customer or to terminate immediately the contract. Any damages in connection therewith are to be borne by the customer.
- 10. Transportation and insurance**
- 10.1 The customer is responsible for transportation and for taking insurance of any kind.
- 10.2 Objections in connection with forwarding and transport shall, upon receipt of the supplies or of the shipping documents, be immediately submitted in writing by the customer to the last carrier. The supplier shall be notified accordingly.
- 11. Inspection and taking-over of the supplies and services**
- 11.1 The supplier shall inspect the supplies and services before dispatch to the extent of normal practice. If the customer requests further testing, this has to be specially agreed upon and paid for by the customer.
- 11.2 The customer shall inspect the supplies and services forthwith, in any case within not more than 60 days and shall notify the supplier immediately in writing of any deficiencies. If the customer fails to do so, the supplies and services shall be deemed to have been taken over.
- 11.3 The supplier shall remedy the deficiencies which have been notified to him according to clause 11.2 within a reasonable time, and the customer shall give him the possibility to do so.
- 11.4 Deficiencies of any kind in supplies or services shall not entitle the customer to any rights and claims other than those expressly stipulated in this clause 11 and in clause 12 (warranty).
- 12. Warranty**
- 12.1 As far as this is reasonable and necessary in the opinion of the supplier, each of the objects of supply is inspected for functionality before being dispatched. Special controls or inspections must be agreed upon in writing when concluding the contract.
- 12.2 The warranty period is twelve (12) months and starts with the notification that the supplies are ready for dispatch.
- 12.3 The warranty covers only the characteristics and features which the supplier has guaranteed in writing as well as the flawless material and the functionality of the object of the supply. The acceptance of plans, computations or drawings by the customer excludes a later warranty for defects which could be recognized.
- 12.4 During the term of the warranty, the supplier shall, upon written request from the customer, at his choice either repair or replace any parts of the supplies which are proved to be defective due to a fault of the supplier. The supplier shall bear the costs of remedying the defective parts in his works.
If the repair cannot be carried out in his works, the supplier shall bear the costs to the amount it would have cost him if the repair or the replacement had been performed in his works. The excess amount, including any travel and/or living expenses shall be borne by the customer.
- 12.5 Replaced parts shall become the supplier's property. Upon request from the supplier, they shall be returned by the customer to the supplier within three months after the replacement parts have been built in. The cost of freight and insurance, as well as any custom duties or taxes shall be borne by the supplier, the cost of packing shall be borne by the customer.
- 12.6 For replaced or repaired parts the warranty period starts anew and lasts 6 months after the replacement or completion of the repair or taking over, but not longer than the expiry of a period being double to the warranty period stipulated in clause 12.2.
- 12.7 The customer may claim the warranty only if he has fully complied with his contractual obligations, in particular the agreed upon terms of payment. The warranty expires prematurely if the customer undertakes or has third parties undertake modification or repairs without the written approval of the supplier.
- 12.8 Excluded from the supplier's warranty are parts which are subject to natural wear and tear, damages due to improper or negligent maintenance, failure to observe the operating instructions, excessive loading, use of unsuitable material (e.g. for cleaning and lubrication), incompetent assembly and maintenance, force majeure and other reasons for which the supplier cannot be held responsible.
- 12.9 For supplies and services of subcontractors requested by the customer, the supplier assumes warranty for defects only to the extent of each subcontractors' warranty obligations. The supplier is entitled to assign these warranty obligations to the customer, and thereby be exonerated entirely from his warranty obligations.
- 12.10 The supplier is only liable for to the extent of unlawful intent or gross negligence as far as claims arising out of faulty advice and the like or any breach of accessory obligations.
- 12.11 Termination of the contract by the customer under unimportant reasons and any further liability, in particular for indirect damages, is expressly excluded.
- 13. Termination of the contract**
- 13.1 If unforeseen events have an important influence on the contents of the supplies and/or services, or in case the supply and/or services become subsequently impossible of delivery or performance, the contract must be adjusted accordingly. To the extent that an adjustment is commercially impossible, the supplier shall have the right to terminate the entire contract or the parts of the contract which are concerned.
- 13.2 If the supplier wants to use its right to terminate the contract, he undertakes to inform the customer immediately. In the event of termination of the contract, the supplier shall receive compensation for the supplies already furnished and/or services already performed. The customer may not claim any damages based on such termination.
- 13.3 If the supplier is informed after conclusion of the contract that the customer is in a critical financial position, which may endanger the fulfillment of the contract, or that he is about to get into such a critical position, the supplier may require securities for performing his supplies and/or services, or terminate the contract and ask for compensation for the work and expenses already incurred.
- 14. Regulations in force in the country of destination**
- 14.1 The customer shall, at least when placing the order, draw the attention of the supplier to the standards and regulations in the country of destination applicable to the execution of the supplies and services, to their operation as well as to the prevention of accidents.
- 14.2 Unless otherwise agreed upon, the supplies and/or services will comply with the standards and regulations usually complied with by the supplier.
- 15. Jurisdiction and applicable law**
- 15.1 **The place of jurisdiction for both the customer and the supplier shall be at supplier's legal domicile.** The supplier shall, however, be entitled to file legal action against the customer at customer's legal domicile.
- 15.2 The contract shall be governed by **Swiss substantive law.**
- 16. Ineffectiveness of individual clauses**
- 16.1 If a clause of the contract should be ineffective, the rest of the contract shall remain in force. The invalid clause shall be replaced by a valid clause in such a way that the new clause will as closely as possible reflect the original clause.

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